Government of India has already signed 26 contracts for CBM Blocks. The first CBM gas production from one CBM block in has started in July 2007. For the first time in the country, Gas hydrates smaples have been collected from offshore areas. Gas Hydrates present a great potential as a source of energy in the future.

Oil India Limited (OIL) is also currently undertaking a feasibility study for conversion of North-East Coal to liquid fuel.

(d) Annual R&D budgetary allocations in respect of upstream oil companies viz. ONGC and OIL, for the last 3 years were as under:

(Rs. in crores)

Name of Upsteam Oil PSU	2005-06	2006-07	2007-08
ONGC	155.00	170.29	148.15
OIL	16.48	16.65	35.63

Increase in gas price

4249. SHRI M.V. MYSURA REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Gas Authority of India Ltd. (GAIL) has increased the price of gas supplied to various gas-based plants in the State of Andhra Pradesh from US $ 3.3/ MMBTU to US $ 4.5/MMBTU;

(b) if so, what are the reasons for increasing the price of gas unilaterally;

(c) whether any consultations have been held with the stakeholders and Transmission Corporation of Andhra Pradesh (APTRANSCO);

(d) if so, what is the outcome of the consultations; and

(e) the details of plants that are opposing the price increase by GAIL?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) Natural gas from Ravva fields is being sold at US $ 3.3/MMBTU. However, natural gas from Ravva Satellite fields is being sold at US $ 4.3/MMBTU. The price of gas from Ravva Satellite fields was revised as per the provisions of Production Sharing Contract (PSC) between the Government of India and Ravva Consortium and the Gas Supply Contract between GAIL and Ravva Consortium.

(c) and (d) No, Sir. However, the customers were informed about the ongoing price negotiations with Ravva Consortium and the likely revised gas price. APTRANSCO was informed about the likely revision in the price.

(e) The following customers have not agreed to the increase in gas price: (1) Spectrum, (2) GVK Industries, (3) APGPCL, (4) Lanco Kondapalli.